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**MEMORANDUM
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Director
Utilities Division

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Arizona Corporation Commission

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JAN 23 2009

DATE: January 23, 2009

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RE: **COMPLIANCE FILING FOR DECISION NO. 68826 – STAFF RESPONSE TO THE “NOTICE OF COMPLIANCE” FILING FOR THE REQUEST TO LIFT THE MORATORIUM FOR NORTHERN SUNRISE WATER COMPANY – CORONADO ESTATES AND SIERRA SUNSET WATER SYSTEMS**

DOCKET NO. W-20453A-06-0247 (CC&N FOR NORTHERN SUNRISE WATER COMPANY)

DOCKET NO. W-20454A-06-0248 (CC&N FOR SOUTHERN SUNRISE WATER COMPANY)

DOCKET NOS. W-20453A-06-0251, W-20454A-06-0251, W-01646A-06-0251, W-01868A-06-0251, W-02235A-06-0251, W-02316A-06-0251, W-02230A-06-0251, W-01629A-06-0251, W-02240A-06-0251 (TRANSFER OF MCLAIN SYSTEMS)

Introduction

Pursuant to Decision No. 68826 (June 29, 2006), Northern Sunrise Water Company, Inc. (“NSWC”) docketed on January 5, 2009, a “Notice of Compliance” for completion of certain capital improvements for the NSWC - Coronado Estates and Sierra Sunset water systems. In addition, NSWC docketed on January 20, 2009, a “Notice of Filing” for the Arizona Department of Environmental Quality’s (“ADEQ”) Approval of Construction (“AOC”) for the required capital improvements.

The Decision ordered “that after the projects for a system or systems are completed, NSWC and SSWC shall file a notice of completion in this docket, which should include an Approval of Construction from ADEQ for those projects requiring ADEQ approval. Staff shall have 20 calendar days to complete its inspection and review of the filing and file any objection or its concurrence with the Notice. If the Staff memo concurs that the projects are completed, the moratorium would be considered lifted for that system or systems.”

On December 23, 2008, Staff contacted Algonquin Water Services’ (“Algonquin”) to schedule a field inspection date for January 12, 2009. Algonquin is the parent entity of NSWC and SSWC.

Staff's Review and Conclusions

The following represents Staff's findings as a result of its field inspection and review of information in support of the Notice of Compliance/Filing filed on January 5th and 20th:

1. On January 12, 2009, Staff conducted a field inspection of the NSWC-Coronado Estates and Sierra Sunset water systems, accompanied by Algonquin representatives; John Chelus, Martin Garland, Jim Cavanaugh, Jai Altamirano, Joe Woodlock, and Brad Jordan. Staff verified that;
 - a. All the Coronado Estates water system required and/or modified improvement projects had been completed (8 required items and 9 non-required items at the well site).
 - b. All the Sierra Sunset water system required and/or modified improvement projects had been completed (4 required items and 7 non-required plant items).
 - c. The Coronado Estates and Sierra Sunset water systems had been interconnected with a 2-inch water main.
2. The ADEQ AOC document referenced in Decision No. 68826 was required for the subject NSWC-Coronado Estates water system improvement project. This system's improvement project involved the construction and replacement of storage tanks and pressure tank and as a result did require an AOC. This AOC, dated January 12, 2009, was docketed with the Filing on January 20, 2009.

Staff Recommendation

Having verified that the NSWC-Coronado Estates and Sierra Sunset system improvement projects have been completed, Staff recommends that the existing moratoriums be lifted for the Coronado Estates and Sierra Sunset water systems.

EGJ:MSJ:red

Originator: Marlin Scott, Jr.

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Docket No. W-20453A-06-0247 et al

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